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# **ANALYSIS OF INCOME, EXPENDITURE AND DONATIONS OF POLITICAL PARTIES OF TAMIL NADU AND PUDUCHERRY: FY 2015-16**

A Report by

Tamil Nadu & Puducherry Election Watch

&

Association for Democratic Reforms

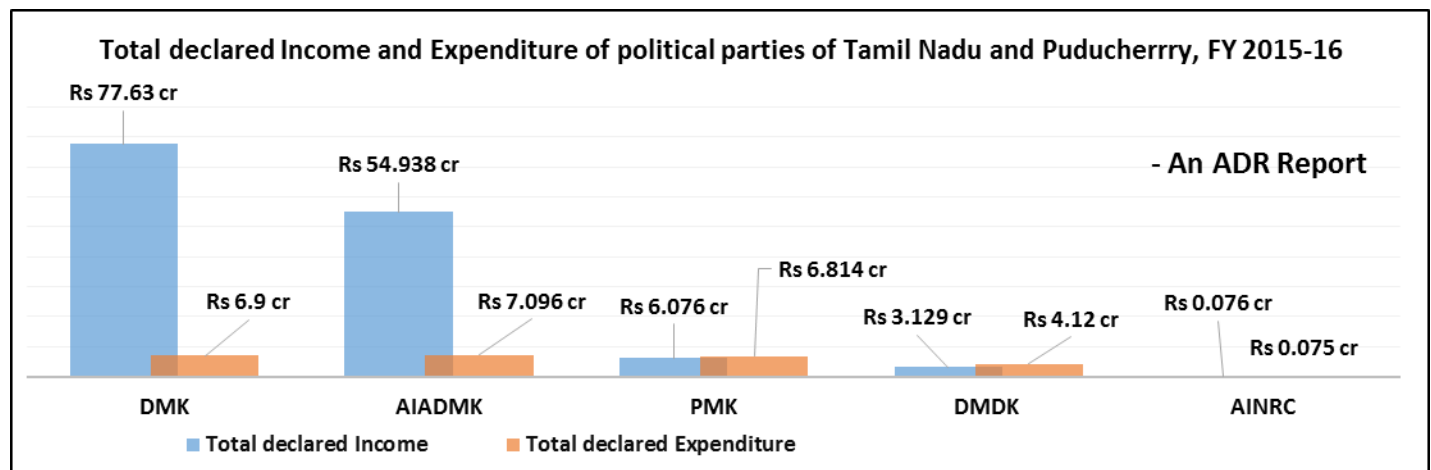
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## Executive Summary

### **Analysis of Total Income & Expenditure of Political Parties of Tamil Nadu and Puducherry, FY 2015-16**

#### Total income & expenditure of political parties

- The income of political parties during FY 2015-16 is calculated from their IT returns filed annually with the Income Tax Department.
- BJP** has the **highest total income of Rs 570.86 cr** from all over India in FY 2015-16, followed by **INC** whose total income during the same period is **Rs 261.56 cr** and **CPM** whose total income is **Rs 107.48 cr**.
- Amongst regional parties, **DMK** reported the highest income of **Rs 77.63 cr** followed by **AIADMK** that has an income of **Rs 54.938 cr** in **2015-16**.
- AIADMK** and **DMK** have **not spent 87.08% and 91.11%** of their total income, respectively, in FY 2015-16.
- Overall, the Regional Parties of Tamil Nadu and Puducherry (**AIADMK, DMK, PMK, DMDK** and **AINRC**) declared **82.37%** of their total income, i.e. **Rs 116.84 cr**, to be 'remaining unspent'.

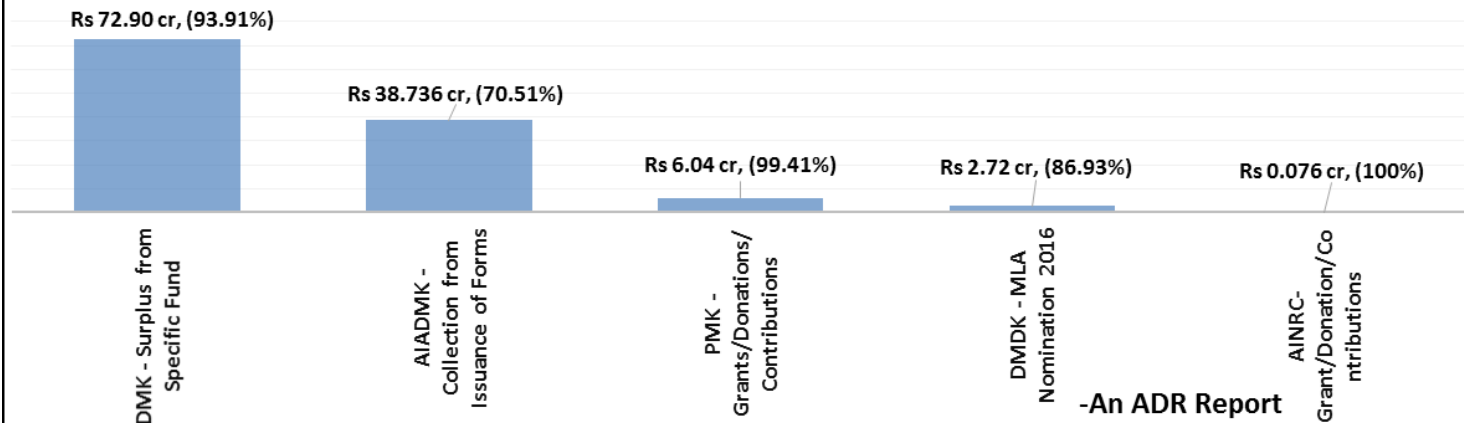


Graph : Total Income and expenditure of Regional Parties of Tamil Nadu and Puducherry, FY 2015-16

#### Top sources of income of political parties during FY 2015-16

- 9 out of 11 parties** have received **more than 50% of their total income** from **only one source of income** e.g. **BJP** has received **93.97%** of its total income from 'Voluntary Contributions' (Rs 536.41 cr), solely, while **BSP** has received **77.78%** of its total income from 'Other Income' (Rs 36.85 cr).
- Amongst regional parties, **AINRC, PMK, DMK** and **DMDK**, have received **more than 86%** of their total income from **only one source**.
- 70.51%** of total income of **AIADMK** or **Rs 38.376 cr** was from "Collection from Issuance of Forms" while **DMK** received **93.91%** of its total income worth **Rs 72.9 cr** from 'Surplus from Specific Fund'.

### Top Sources of Income of Regional parties of Tamil Nadu and Puducherry, FY 2015-16

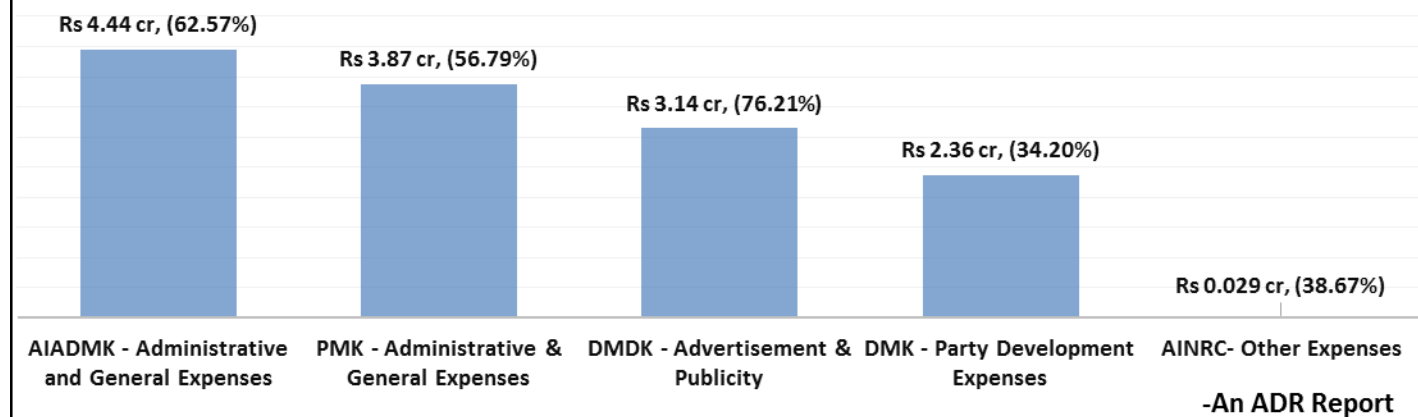


Graph : Top sources of Income of Political Parties of Tamil Nadu and Puducherry, FY-2015-16

### Top items of expenditure of National and Regional Parties during FY 2015-16

- The most common items of expenditure across parties includes expenses towards **Elections & Publicity** and **Administrative & General expenses**. These are also the heads, which saw the **highest expenditure** in FY 2015-16.
- Amongst Regional Parties, **4 out of 5 parties** of Tamil Nadu and Puducherry have **incurred more than 74% of their total expenditure only on top two items**.
- DMK** has spent **58.55%** of its total expenditure, worth **Rs 4.04 cr**, which is also the highest, on '**Party Development expenses**' (Rs 2.36 cr) and '**Depreciation (as per fixed assets sch)**' (Rs 1.68 cr).
- AINRC** has incurred **highest expenditure** of Rs 2.90 lakhs on '**other expenses**' that is **38.67%** of its total expenditure.

### Top Item of Expenditure of Regional parties of Tamil Nadu and Puducherry, FY 2015-16

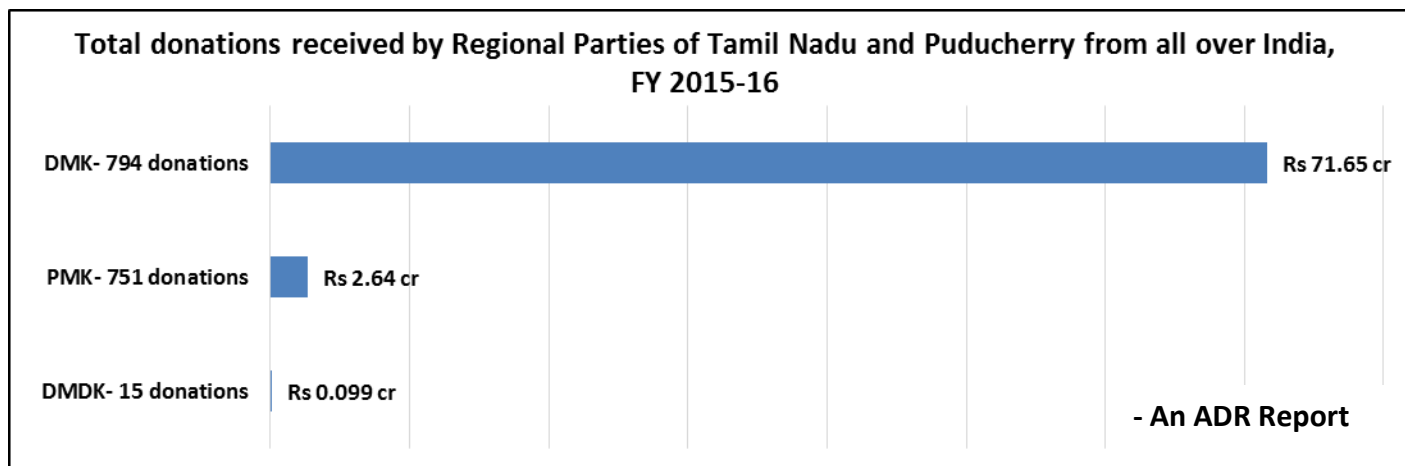


Graph : Top items of expenditure of Political Parties of Tamil Nadu and Puducherry, FY-2015-16

## Analysis of Voluntary Contributions received by political parties of Tamil Nadu and Puducherry, FY 2015-16

### Donations above Rs 20,000 received by Regional Parties of Tamil Nadu and Puducherry from all over India, FY 2015-16

- **AIADMK**, the ruling party of Tamil Nadu, has **declared receiving no donations above Rs 20,000 from any donor** in 2015-16.
- **AINRC**, which is the main opposition party in Puducherry, **has not submitted its Contribution Report to the ECI, for FY 2015-16.**
- **DMK** has received the **highest number and amount of donations from all over India**, in comparison to other regional parties.
- Donations received by **DMK** from Tamil Nadu and Puducherry is **Rs 70.78 cr**, which is **98.79%** of Rs 71.65 cr, that DMK has received from all over India in FY 2015-16.
- Donations received by **PMK** from Tamil Nadu and Puducherry is **Rs 2.37 cr**, which is **89.77%** of Rs 2.64 cr, that PMK has received from all over India in FY 2015-16.

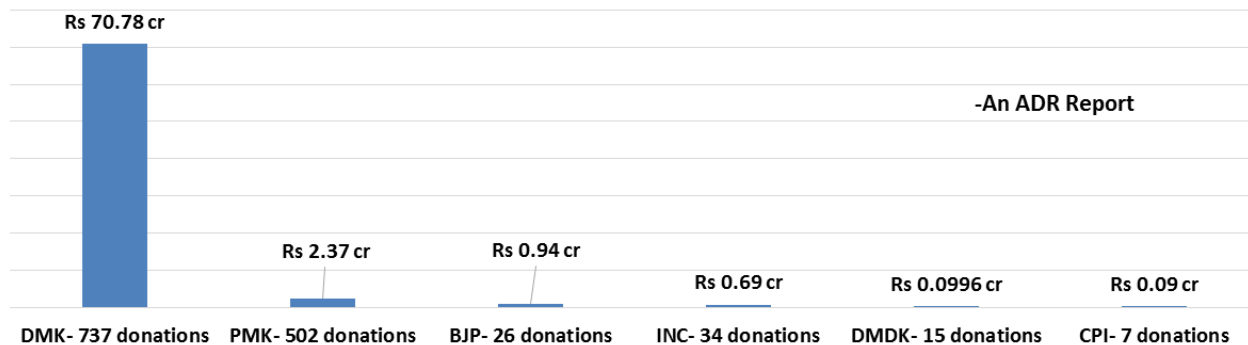


Graph: Donations received by Regional Parties of Tamil Nadu and Puducherry from all over India, FY 2015-16

### Total number and amount of Donations received by National and Regional Parties from Tamil Nadu and Puducherry, FY 2015-16

- **DMK** has received the **highest overall donations** from Tamil Nadu and Puducherry, worth **Rs 70.78 cr** through **737 donations** for FY 2015-16, followed by **PMK**, which has received the **second highest amount** of donations of **Rs 2.37 cr** from **504 donations**.
- Amongst National Parties, **BJP** has received the highest overall donations worth **Rs 0.94 crores**, followed by **INC** that has received **Rs 0.69 crores** from Tamil Nadu and Puducherry.

### Donations received by National and Regional parties from Tamil Nadu and Puducherry, FY 2015-16



Graph: Donations received by National and Regional parties of Tamil Nadu and Puducherry, FY 2015-16

### Mode of payment of donations received by Political Parties from Tamil Nadu and Puducherry, FY 2015-16

- **57.72%** of the total donations received by national and regional parties from Tamil Nadu and Puducherry, in FY 2015-16, is in **cash**.
- **DMK, PMK and DMDK** are the three political parties that have **declared receiving donation in cash**.
- It is to be noted that **100%** of donations received by **PMK** (above Rs 20,000) were by cash (Rs 2.64 cr).

### Modes of Payment of donations declared by Political Parties from Tamil Nadu and Puducherry , FY- 2015-16

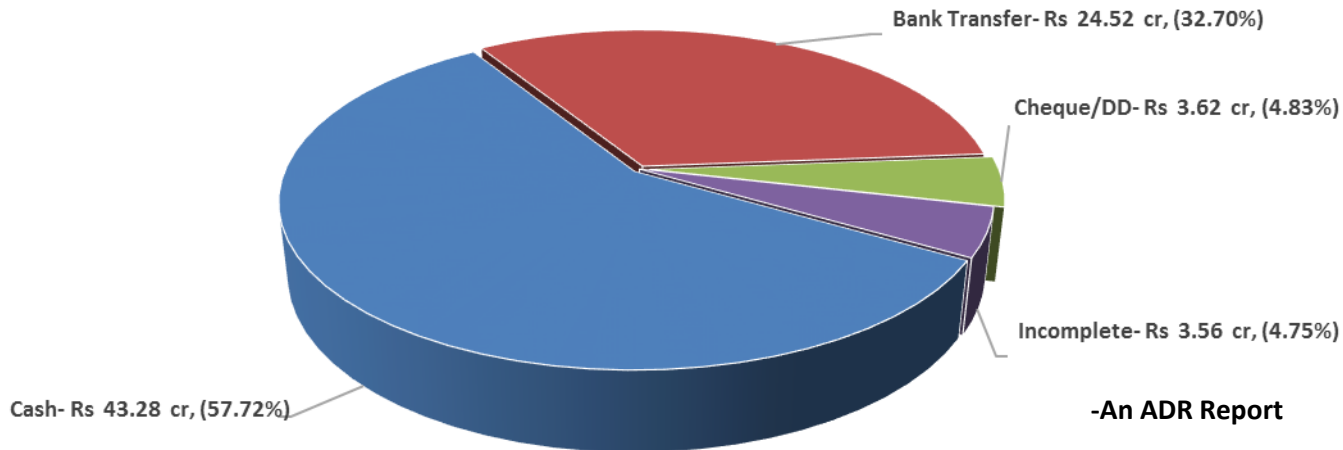
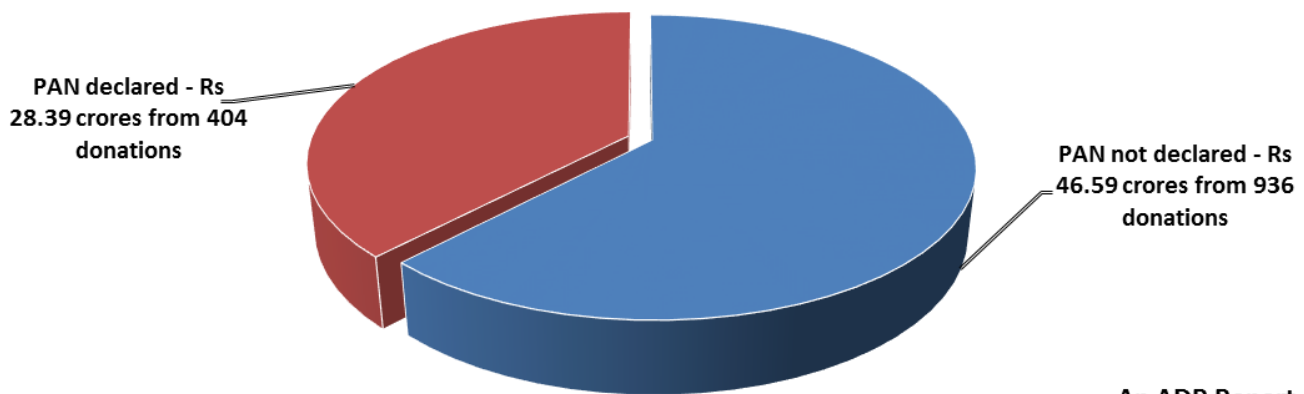


Chart: Mode of Payment of donations declared by political parties from Tamil Nadu and Puducherry, FY- 2015-16

### Declaration of PAN details in donations received by Political Parties from Tamil Nadu and Puducherry, FY 2015-16

- **62.14%** of the total donations or **Rs 46.59 cr** received by **National and Regional parties** from Tamil Nadu and Puducherry through **936 donations** do not have **PAN details**.
- **None of the donations** received by **CPI, PMK and DMDK** from Tamil Nadu and Puducherry during FY 2015-16 has **PAN details**.

### PAN status of donations received by National and Regional Parties from Tamil Nadu and Puducherry, FY 2015-16



## Observations and Recommendations of ADR

### Observations

1. The Regional Parties of Tamil Nadu and Puducherry (AIADMK, DMK, PMK, DMDK and AINRC) declared **82.37%** of their total income, i.e. **Rs 116.84 cr**, to be '**remaining unspent**'. It is to be noted that the elections to Tamil Nadu and Puducherry Assemblies were held in May, 2016.
2. **AIADMK**, the ruling party of Tamil Nadu, has **declared receiving no donations above Rs 20,000 from any donor** from all over India in 2015-16. It is to be noted that the party, in its audit report for FY 2015-16, has not stated any income from 'Voluntary contributions' or 'Donations'.
3. **AINRC**, which is the main opposition party in Puducherry, **has not submitted its Contribution Report to the ECI, for FY 2015-16** but the party in its audit report has stated that it received a total of **Rs 76 lakhs** as 'Grants/ Donations/ Contributions' which was also its only source of income for FY 2015-16.
4. **100% of PMK's donations** above Rs 20,000 i.e. Rs 2.64 cr was in **cash**. 3 National Parties (BJP, INC, CPI) and 3 Regional Parties (DMK, PMK, DMDK) received **57.72%** of the total donations from Tamil Nadu & Puducherry **in cash**. This amounted to **Rs 43.28 cr via 997** donations.
5. **None of the donations** received by **CPI, PMK and DMDK** from Tamil Nadu and Puducherry during FY 2015-16 **has PAN details**. Thus PAN details are unavailable of **528 donations (Rs 2.566 cr)**.
6. All the top 10 donations to DMK during FY 2015-16 have been made via **multiple donations** by various **District level Secretaries** of the party. It has been declared that the donations were '**received**' by the Secretaries in cash or cheque **without declaring the details** of the individual donors who made these donations. Such declarations are **not in the interest of transparency** of finances of political parties.

### Recommendations

- The Supreme Court gave a judgment on September 13, 2013 declaring that no part of a candidate's affidavit should be left blank. Similarly, **no part of the Form 24A submitted by political parties providing details of donations above Rs 20,000 should be blank**.
- Full details of all **donors should be made available for public scrutiny under the RTI**. Some countries where this is done include Bhutan, Nepal, Germany, France, Italy, Brazil, Bulgaria, the US and Japan. In none of these countries is it possible for **80% of the source of funds to be unknown**, but at present it is so in India.
- **The National and regional political parties must provide all information on their finances under the Right to Information Act**. This will only strengthen political parties, elections and democracy.

## Disclaimer

Source for the data used in the report are the Contribution Statements submitted by the political parties to the Election Commission of India. These can be accessed from [http://eci.nic.in/eci\\_main1/PolPar/ContributionReports.aspx](http://eci.nic.in/eci_main1/PolPar/ContributionReports.aspx) and their IT Returns which can be accessed from [myneta.info/party](http://myneta.info/party).

While all effort has been made to ensure that the information is in keeping with what is mentioned in the statements submitted by the political parties, in case of discrepancy between information in this report and that given in their statements, the information reported by the political parties should be treated as correct. Association for Democratic Reforms, National Election Watch and their volunteers are not responsible or liable for any damage arising directly or indirectly from the publication of this report.

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